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ATTORNEY GENERAL



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State Granted Court-appointed Receiver for Amistad America, Inc.

Receiver will oversee and stabilize operations while work continues to reform and strengthen organization

For immediate release

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HARTFORD – The Superior Court for the Judicial District of Hartford has approved an application filed by the Attorney General seeking appointment of a receiver over the operations and assets of Amistad America, Inc., Governor Dannel P. Malloy, Attorney General George Jepsen and state Department of Economic & Community Development (DECD) Commissioner Catherine Smith announced today.

In documents filed with the court this morning, the state requested that a receiver be appointed to assume full control and responsibility for the operations of Amistad America. The court's order prevents the existing leadership of Amistad America from taking actions on behalf of the corporation during the term of the receivership. It also prohibits the organization's creditors from taking action to collect on debts without first giving notice to the receiver and the State and obtaining court approval.

Amistad America, Inc. did not object to the appointment of a receiver. On Tuesday evening, its board of trustees adopted a resolution supporting the Attorney General's application for a receiver and pledging its full cooperation with the receiver's work. The Court's order requires the existing organization to assist the receiver's work and to preserve the Amistad's assets.

"This is an important and necessary step to assure the people of Connecticut that there is appropriate oversight of the Amistad and that this vessel is living up to its educational mission," said Governor

Malloy. "The Amistad represents not only an important chapter in our state's history, it's a symbol of how far we've come as a nation in pursuit of individual rights and freedom. We look forward to continuing our work with the Attorney General and to working with the receiver to protect this state asset."

Attorney General Jepsen, who filed the action on behalf of the state said, "the Amistad is an important piece of Connecticut's history and cultural heritage. Today's action puts in place a professional and experienced receiver who will ensure that, over the coming months, the organization's finances are handled correctly and that existing obligations are addressed. We will seek to continue the receivership until the public can be assured that its money is being properly used and accounted for and that a plan exists for the organization to responsibly carry out its mission into the future."

"There remain substantial challenges ahead for the Amistad – not least of which are designing an appropriate governing structure for the organization and identifying consistent and adequate sources for its operational funding. Success is not guaranteed, but today's action is a necessary first step and one that can give the State the confidence needed to continue expending funds allocated for the Ship's operations," the Attorney General said. "I am especially grateful to Mayor Harp and the City of New Haven – the Amistad's home port – for the vital support that they have pledged in identifying and supporting a sustainable future for Connecticut's ship. We look forward to working towards that goal with them, the Governor's office, OPM, DECD, the non-profit community and others. We also appreciate the cooperation of the Amistad's existing staff, crew and directors both in ensuring the continuity of the Ship's programming under the direction of the receiver and in developing long term plans for the ship's operations. Continuity of operations is essential, and we do not expect the receivership to interfere in any way the Amistad's currently planned schedule of activities, including its planned visit to New London in the coming days."

The order places full control of Amistad America to the state's receiver, Attorney Katharine B. Sacks of New Haven. Attorney Sacks has operated a law practice since 2001 and has extensive experience as a court-approved receiver in the state of Connecticut. In addition to assuming all responsibilities for the day-to-day maintenance and operations of the Amistad, Attorney Sacks will work with the Governor's Office, the Office of the Attorney General, the Office of Policy & Management, DECD, the City of New Haven and other stakeholders to assess and provide recommendations on the necessary next steps to address the Amistad's debts and rebuild the organization.

Under today's order, the current operators are enjoined by the court from engaging in any and all acts on behalf of the corporation, including engaging in business transactions or passing corporate resolutions related to governance or funds management. The application was filed with the consent of Amistad's current operators.

Amistad's tax-exempt status with the Internal Revenue Service had been revoked due to failure to file required Forms 990, and the organization has accumulated significant debts. Audits released earlier this month accounted for the significant amount of state funds invested in the vessel over several years, but faulted the organization for lacking the controls necessary to ensure proper accounting and recordkeeping.

Assistant Attorneys General Karen Gano and Mark Kohler, head of the Special Litigation Department, are assisting the Attorney General with this matter.

[Please click here to view the documents filed in with the superior court today.](#)

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